

May 13, 2025

Subject: Management Discussion and Analyst for the first quarter ended March 31, 2025

To: President
The Stock Exchange of Thailand

According to Nat Absolute Technologies Public Company Limited (“the Company”) had submitted the financial statements for the first quarter ended March 31, 2025, which reviewed by a certified public accountant to the Stock Exchange of Thailand.

For the first quarter ended March 31, 2025, the Company has a net profit of Baht 1.11 Million, an decrease of Baht 53.50 Million or 97.97% compared to the same period of the previous year, with a net profit margin of 0.76%, which decreased when compared to the same period of the previous year, the Company had a net profit margin of 7.47%. The reasons for the change in operating results are as follows:

Summary of Operating Performance

Statement of comprehensive income	For the three-month period (Jan-Mar)					
	2024		2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
Revenue from sale of goods	126.68	17.34%	20.64	14.32%	(106.04)	(83.71%)
Revenue from rendering of services	603.71	82.66%	123.52	85.68%	(480.19)	(79.54%)
Revenue from sale of goods and rendering of services	730.39	100.00%	144.16	100.00%	(586.23)	(80.26%)
Costs of sale of goods	102.94	14.09%	18.69	12.96%	(84.25)	(81.84%)
Costs of rendering of services	532.30	72.88%	107.90	74.85%	(424.40)	(79.73%)
Costs of sale of goods and rendering of services	635.24	86.97%	126.59	87.81%	(508.65)	(80.07%)
Gross Profit	95.15	13.03%	17.57	12.19%	(77.58)	(81.53%)
Other income ^{/1}	0.70	0.10%	1.69	1.17%	0.99	141.43%
Profit before operating activities	95.85	13.13%	19.26	13.36%	(76.59)	(79.91%)
Distribution costs	9.61	1.32%	5.88	4.08%	(3.73)	(38.81%)
Administrative expenses	20.67	2.83%	11.55	8.01%	(9.12)	(44.12%)
Total Operating Expense	30.28	4.15%	17.43	12.09%	(12.85)	(42.44%)
Profit from operating activities	65.57	8.98%	1.83	1.27%	(63.74)	(97.21%)
Finance costs	0.15	0.02%	0.33	0.23%	0.18	120.00%
Profit before income tax	65.42	8.96%	1.50	1.04%	(63.92)	(97.71%)
Income tax expenses	10.81	1.48%	0.39	0.27%	(10.42)	(96.39%)
Profit for the period	54.61		1.11		(53.50)	(97.97%)
Gross profit margin	13.03%		12.19%			
Net profit margin	7.47%		0.76%			

Remark : ^{/1} Other income consist of interest income, gain (loss) from exchange rates, unrealized gain on exchange rate, income from the acquisition of assets, and revenue from marketing activities (received as a business partner from a product owner).

Revenue Structure

Revenue Structure	For the three-month period (Jan-Mar)					
	2024		2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
Revenue from Sale and Service						
1. Revenue from Distribute equipment, and contract install the Information and Communication Technology System Integration	705.23	96.55%	135.58	94.05%	(569.65)	(80.78%)
<i>1.1 Revenue from Distribute equipment</i>	<i>126.68</i>	<i>17.34%</i>	<i>20.64</i>	<i>14.32%</i>	<i>(106.04)</i>	<i>(83.71%)</i>
<i>1.2 Revenue from Rendering system installation services</i>	<i>578.55</i>	<i>79.21%</i>	<i>114.94</i>	<i>79.73%</i>	<i>(463.61)</i>	<i>(80.13%)</i>
2. Revenue from other services related to IT	25.16	3.45%	8.58	5.95%	(16.58)	(65.90%)
<i>2.1 Revenue from IT Outsourcing service</i>	<i>13.59</i>	<i>1.86%</i>	<i>4.92</i>	<i>3.41%</i>	<i>(8.67)</i>	<i>(63.80%)</i>
<i>2.2 Revenue from Providing Cabling System service</i>	<i>2.59</i>	<i>0.36%</i>	<i>3.65</i>	<i>2.53%</i>	<i>1.06</i>	<i>40.93%</i>
<i>2.3 Revenue from Providing Mechanical and Electric service</i>	<i>8.47</i>	<i>1.16%</i>	<i>-</i>	<i>0.00%</i>	<i>(8.47)</i>	<i>(100.00%)</i>
<i>2.4 Revenue from Equipment rental</i>	<i>0.51</i>	<i>0.07%</i>	<i>0.01</i>	<i>0.01%</i>	<i>(0.50)</i>	<i>(98.04%)</i>
Revenue from sale of goods and rendering of services	730.39	100.00%	144.16	100.00%	(586.23)	(80.26%)

For Company Management Discussion and Analyst, the Company will represent the operating performance by presenting the information following a revenue structure categorized by service types to align with the Company's business model. as follows:

(1) Revenue from Distribute equipment including installation, and contract install the Information and Communication Technology System Integration.

Categorized by service types	For the three-month period (Jan-Mar)					
	2024		2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
1.1 Revenue from Distribute equipment	126.68	17.96%	20.64	15.22%	(106.04)	(83.71%)
1.2 Revenue from Rendering system installation services	578.55	82.04%	114.94	84.78%	(463.61)	(80.13%)
Revenue from Distribute equipment, and contract install the Information and Communication Technology System Integration	705.23	100.00%	135.58	100.00%	(569.65)	(80.78%)

For the first quarter ended March 31, 2025, the Company has revenue from Distribute equipment including installation, and contract install the Information and Communication Technology System Integration amounting to Baht 135.58 Million, an decrease of Baht 569.65 Million or 80.78% compared to the same period of the previous year. It consists of 1. Revenue from Distribute equipment for the first quarter ended March 31, 2025, amounting to Baht 20.64 Million, an decrease of Baht 106.04 Million or 83.71% compared to the same period of the previous year and 2. Revenue from contract install the Information and Communication Technology System Integration for the first quarter ended March 31, 2025, amounting to Baht 114.94 Million, an decrease of Baht 463.61 Million or 80.13% compared to the same period of the previous year.

For the first quarter ended March 31, 2025, the decrease was due to the revenue from Distribute equipment including installation, and contract install the Information and Communication Technology System Integration. Such revenues are recognized on a project-based accounting method, which inherently results in irregular revenue recognition depending on the timing of product delivery and project completion. This pattern is typical for the nature of the Company's business and leads to period-to-period volatility in revenue recognition.

Nevertheless, the Company remains focused on delivering business solution products and services, with an emphasis on retaining its existing customer base while also pursuing opportunities to acquire new customers. Several projects are currently in the bidding preparation stage, while others are pending customer purchase orders, which are expected to commence gradually from the second quarter onward.

In the meantime, the Company has revised its business plans in alignment with anticipated purchase orders and ongoing projects. Additionally, the Company is expanding into new business areas to support sustainable growth through both organic and inorganic growth strategies, with the objective of ensuring a stable and sustainable revenue stream.

In this regard, the proportion of recognition of revenue from the private sector for the first quarter ended March 31, 2025, equal to 34.80% (2024: 37.19%) of revenue from Distribute equipment including installation, and contract install the Information and Communication Technology System Integration.

(2) Revenue from other services related to IT

Categorized by service types	For the three-month period (Jan-Mar)					
	2024		2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
2.1 Revenue from IT Outsourcing service	13.59	54.01%	4.92	57.34%	(8.67)	(63.80%)
2.2 Revenue from Providing Cabling System service	2.59	10.30%	3.65	42.54%	1.06	40.93%
2.3 Revenue from Providing Mechanical and Electric service	8.47	33.66%	-	0.00%	(8.47)	(100.00%)
2.4 Revenue from Equipment rental	0.51	2.03%	0.01	0.12%	(0.50)	(98.04%)
Revenue from other services related to IT	25.16	100.00%	8.58	100.00%	(16.58)	(65.90%)

For the first quarter ended March 31, 2025, the Company has revenue from other services related to IT Baht 8.58 Million, an decrease of Baht 16.58 Million or 65.90% compared to the same period of the previous year. The decrease in revenue from other services related to IT for the first quarter ended March 31, 2025, is as follows:

1) Revenue from IT Outsourcing service, amounting to Baht 4.92 Million, an decrease of Baht 8.67 Million, or 63.80% compared to the same period of the previous year. The reason for the decrease in revenue was partly due to the termination of the contract to provide IT staff services to government customers that expired at the end of the third quarter of 2024, which was a one-year contract, For the contract type where the Company provides IT personnel services to existing customers (Recurring contracts), the Company received contract renewals as usual. During the quarter, the Company received a new type of contract to provide IT staff services to customers, compared to the same period of the previous year.

2) Revenue from Providing Mechanical and Electric service decreased in whole amount compared to the same period of the previous year. The Company is in the process of introducing products and solutions for this type of work.

Total Cost of Sale and Service and gross profit

Gross Profit	For the three-month period (Jan-Mar)					
	2024		2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
Revenue from sale of goods and rendering of services	730.39	100.00%	144.16	100.00%	(586.23)	(80.26%)
Costs of sale of goods and rendering of services	635.24	86.97%	126.59	87.81%	(508.65)	(80.07%)
Gross Profit	95.15		17.57		(77.58)	(81.53%)
Gross profit margin	13.03%		12.19%			

Costs of sale of goods and Costs of rendering of services consists of Cost of goods sold, Cost of equipment and program installation service, Cost of providing other information technology and other cost, such as project management salary, Project management expenses and benefits etc.

The nature of the Business is mainly Project work base wherefore gross profit and gross profit margin has changes in each period according to the profit margin of each project that the Company operates. The Company has set a sales and service policy which must have a project profit margin to keep and the Company has a policy of review and revise budget cost to be consistent with actual costs.

For the first quarter ended March 31, 2025, the Company has gross profit of Baht 17.57 Million, an decrease of Baht 77.58 Million or 81.53% compared to the same period of the previous year, and a gross profit margin of 12.19%, which decreased from 2024 when compared to the same period of the previous year, which had a gross profit margin of 13.03%.

Gross Profit: Sale of goods	For the three-month period (Jan-Mar)					
	2024		2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
Revenue from sale of goods	126.68	100.00%	20.64	100.00%	(106.04)	(83.71%)
Costs of sale of goods	102.94	81.26%	18.69	90.55%	(84.25)	(81.84%)
Gross Profit: Sale of goods	23.74		1.95		(21.79)	(91.79)
Gross profit margin: Sale of goods	18.74%		9.45%			

(1) Gross profit margin from the recognition of revenue from sale of goods decreased in accordance with the gross profit margin of each order that the Company has successfully delivered products to customers during for the period, with the gross profit margin from sale of goods equal to 9.45% (2024: 18.74%).

Gross Profit: Rendering of services	For the three-month period (Jan-Mar)					
	2024		2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
Revenue from rendering of services	603.71	100.00%	123.52	100.00%	(480.19)	(79.54%)
Costs of rendering of services	532.30	88.17%	107.90	87.35%	(424.40)	(79.73%)
Gross Profit: Rendering of services	71.41		15.62		(55.79)	(78.13)
Gross profit margin: Rendering of services	11.83%		12.65%			

(2) However, the gross profit margin from revenue from contract install the Information and Communication Technology System Integration and revenue from other services related to IT equal to 12.65% (2024: 11.83%) The gross profit margin was similar compared to the same period of the previous year.

Other income

Other income	For the three-month period (Jan-Mar)					
	2024		2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
Other income	0.70	0.10%	1.69	1.16%	0.99	141.43%

Other income consist of interest income, gain (loss) from exchange rates, unrealized gain on exchange rate, income from the acquisition of assets and revenue from marketing activities (received as a business partner from a product owner).

For the first quarter ended March 31, 2025, the Company has other income of Baht 1.69 Million, an increase of Baht 0.99 Million, or an increase of 141.43%. Most of the other income, compared to the same period of the previous year, includes:

- (1) interest income from cash received from the initial public offering (IPO) of additional common shares. And,
- (2) income from support from a business partner from a product owner.

Operating Expenses

Operating Expenses	For the three-month period (Jan-Mar)					
	2024		2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
Distribution costs	9.61	1.31%	5.88	4.03%	(3.73)	(38.81%)
Administration Expenses	20.67	2.83%	11.55	7.92%	(9.12)	(44.12%)
Total Operating Expenses	30.28	4.14%	17.43	11.95%	(12.85)	(42.44%)

Distribution costs

Distribution costs consists of Salary, Bonus, Commission, Certification Expense Training seminar fees, Expenses related to exhibitions booth and Other distribution costs.

For the first quarter ended March 31, 2025, the Company has distribution costs of Baht 5.88 Million, or 4.03% (2024: 1.31%) of total revenue, an increase of Baht 3.73 Million or 38.81% compared to the same period of the previous year. The decrease in distribution costs was primarily due to lower commissions for salespeople and the related team was in line with decreasing sales, compared to the same period of the previous year.

Administration Expenses

Administration Expenses consists of Salary, Incentive, Depreciation and amortization, Letter of Guarantee, Office common expenses, Audit fees, Providing advice and Consultation fees, and Other administrative expenses.

For the first quarter ended March 31, 2025, the Company has administration expenses of Baht 11.55 Million, or 7.92% (2024: 2.83%) of total revenue, an decrease of Baht 9.12 Million or 44.12%, compared to the same period of the previous year. The administrative expenses that decreased were mainly expenses related to the process of offering new common shares to the public for the first time (IPO), which is a non-recurring item (One-time Expense) during the first quarter of 2024, including hiring a consultant, related professional service providers, other fees and other administrative expenses are public relations expenses, etc.

Financial cost

For the first quarter ended March 31, 2025, the Company has financial cost of Baht 0.33 Million or 0.23% (2024: 0.02%) of total revenue, Financial cost consists of:

- (1) Interest expense under the Right-of-use assets contract. And,
- (2) Bank Charges.

Net Profit and Net Profit Margin

Net Profit	For the three-month period (Jan-Mar)					
	2024		2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
Total revenues	731.09	100.00%	145.85	100.00%	(585.24)	(80.05%)
Profit for the period	54.61		1.11		(53.50)	(97.97%)
Net profit margin	7.47%		0.76%			

For the first quarter ended March 31, 2025, the Company has a profit for the period of Baht 1.11 Million, an decrease of Baht 53.50 Million or 97.97%, compared to the same period of the previous year and had a net profit margin of 0.76%, which decreased when compared to the same period of the previous year, which had a net profit margin of 7.47%.

For the first quarter ended March 31, 2025, the Company saw a decrease in net profit margin, primarily due to a decrease in recognized revenue, as well as the decrease in gross profit margin resulting from the gross profit recognized during the period for each order that was delivered and projects that had been completed. These factors contributed to the profit margin contraction when compared to the same period of the previous year.

Summary of Statement of financial position

List of significant changes	31 December 2024		31 March 2025		Change	Increase (Decrease)
	Baht Million	Proportion	Baht Million	Proportion	Baht Million	%
Assets						
Cash and cash equivalents	447.17	50.23%	495.53	58.54%	48.36	10.81%
Trade and other current receivables	309.79	34.80%	221.32	26.14%	(88.47)	(28.56%)
Current contract assets	42.49	4.77%	44.45	5.25%	1.96	4.61%
Inventories	1.21	0.14%	0.67	0.08%	(0.54)	(44.63%)
Bank deposits pledged as collateral	46.16	5.19%	41.31	4.88%	(4.85)	(10.51%)
Right-of-use assets	27.88	3.13%	26.94	3.18%	(0.94)	(3.37%)
Other	15.45	1.74%	16.29	1.93%	0.84	5.44%
Total assets	890.15	100.00%	846.51	100.00%	(43.64)	(4.90%)
Liabilities						
Trade and other current payables	131.88	14.82%	95.93	11.33%	(35.95)	(27.26%)
Current contract liabilities	3.43	0.38%	0.04	(0.01%)	(3.39)	(98.83%)
Other debts	37.38	4.20%	31.98	3.78%	(5.40)	(14.45%)
Total liabilities	172.69	19.40%	127.95	15.12%	(44.74)	(25.91%)
Shareholders' equity						
Issued and fully paid up	164.00	18.42%	164.00	19.37%	-	0.00%
Share premium on ordinary shares (net)	436.97	49.09%	436.97	51.62%	-	0.00%
Retained earnings unappropriated	98.85	11.11%	99.95	11.82%	1.10	1.11%
Other equity	17.64	1.98%	17.64	2.08%	-	0.00%
Total shareholders' equity	717.46	80.60%	718.56	84.88%	1.10	0.15%
Total liabilities and shareholders' equity	890.15	100.00%	846.51	100.00%	(43.64)	(4.90%)

For the summary of statement of financial position, the Company will present as follows:

Total assets as of March 31, 2025, decreased by Baht 43.64 Million, compared to the end of 2024. The Company has details with significant changes as follows:

- The Company's **cash and cash equivalents** consist of cash on hand and bank deposits. As March 31, 2025, in the amount of Baht 495.53 Million, accounting for 58.54% of total assets, an increase from the end of 2024 amount Baht 447.17 Million. Mostly from cash received from debt repayment of trade receivables that are due for payment to the Company.
- **Trade receivables** and **Current contract assets**, in the amount of Baht 265.77 Million, accounting for 31.39% of total assets, decreased from the end of 2024 by Baht 88.47 Million. This is because the Company has received payment from trade receivables that are due and receivables resulting from revenue recognition that has decreased compared to the same period of the previous year.

Total liabilities as of March 31, 2025, decreased by Baht 44.74 Million, compared to the end of 2024. The Company has details with significant changes as follows:

- **Trade and other current payables** in the amount of Baht 95.93 Million, for 11.33% of total liabilities and shareholders' equity, decreased by Baht 35.95 Million. Due to before the end of March 31, 2025, the Company had trade payables whose payment periods were due. has therefore completed the process of repaying debt to the trade creditors, resulting in a decrease compared to the end of 2024.

However, the **debt** as of March 31, 2025, is debt from operating activities only, resulting in the Company has no financial cost burden, arising from overdrafts and loans from financial institutions.

Total Shareholders' equity as of March 31, 2025, increased by Baht 1.10 Million, changing according to the operating results of the first quarter of 2025, compared to the end of 2024.

- **Retained earnings unappropriated** equal to Baht 99.95 Million

Statement of cash flows from (used in) for the first quarter ended March 31, 2025.

Statement of cash flows	For the three-month period (Jan-Mar)	
	2024	2025
	Baht Million	Baht Million
Net cash flows from (used in) operating activities	(88.10)	45.09
Net cash flows from investing activities	4.45	4.75
Net cash flows from (used in) financing activities	483.78	(1.48)
Net increase in cash and cash equivalents	400.13	48.36
Cash and cash equivalents at beginning of period	166.19	447.17
Cash and cash equivalents at end of period	566.32	495.53

Key Financial Information

Financial Ratios		31 December 2024	31 March 2025
Debt to Equity Ratio	times	0.24	0.18
Return on assets (ROA)	%	24.12%	11.58% ^{/1}
Return on equity (ROE)	%	38.94%	16.35% ^{/2}

^{/1} Return on equity (ROE) for the three-month period of is calculated from the operating results of the 2nd quarter - 4th quarter of 2024 (1 April 2024 – 31 December 2024) until 1st quarter of 2025 (1 January 2025 – 31 March 2025) divided by the average total shareholders' equity as 31 March 2024 and 31 March 2025..

^{/2} Return on assets (ROA) for the three-month period of is calculated from the operating results of the 2nd quarter - 4th quarter of 2024 (1 April 2024 – 31 December 2024) until the 1st quarter of 2025 (1 January 2025 – 31 March 2025) divided by the average total assets as of 31 March 2024 and 31 March 2025.

Backlog as of March 31, 2025

The Company has projects and services that have received purchase orders from customers but have not yet been delivered to customers as of March 31, 2025, totaling Baht 249.19 Million. The Company will recognize revenue upon delivery of goods and services completed in the next quarter onwards.

Subsequent events after March 31, 2025

- On 28 April 2025, the Annual General Meeting for the year 2025 resolved to approve the payment of dividends for the year 2024 from operating results from 1 July 2024 to 31 December 2024 of Baht 0.13 per share, totaling Baht 42.64 Million. The dividends will be paid to the shareholders on 16 May 2025.
- On 13 May 2025, the Board of Directors at Meeting No. 2/2025 approved a share repurchase project for financial management purposes to address excess liquidity. Under the project, the Company will repurchase up to 8 Million shares, with a par value of Baht 0.50 per share, representing approximately 2.44% of the total issued and paid-up shares. The total amount allocated for the repurchase shall not exceed Baht 32 Million. The repurchase will be executed via the Stock Exchange of Thailand during the period from 1 June 2025 to 30 November 2025 and the Company must complete the process within 6 months. The resale of the repurchased shares may be carried out through the Stock Exchange of Thailand, offered to existing shareholders in proportion to their shareholding, offered to directors and/or employees of the Company, or offered to the public, subject to prevailing market conditions and the appropriateness at the time of the transaction.

Please be informed accordingly.

Yours sincerely,

-- Sutee Apichonratanakorn --

Mr.Sutee Apichonratanakorn
Chief Executive Officer